

## REMARKS

Reconsideration of the application is requested in view of the above amendments and the following remarks. Claims 6 and 7 have been canceled. Claims 1-4, 22, 25-27 and 35-41 have been amended. Support for the amendments can be found at pages 6-9 of the specification. Changes made to the claims by the current amendment are shown in the attached Version With Markings to Show Changes Made.

The drawings were objected to because Figures 1-82 are copies of photos or screen captures that are difficult to read. Applicant's representative Joshua Randall contacted Examiner Kambiz Abdi by phone on about September 3, 2002 concerning the need to file formal drawings in response to the current office action. The Examiner indicated that formal drawings are not required until after the time of allowance of the application. Therefore, Applicants will submit formal drawings in the future that address this objection.

Claim 41 was objected to under 37 C.F.R. § 1.75(c) as being of improper dependent form. Applicants inadvertently included reference to a "step b" in claim 41. This phrase has now been removed and claim 41 is now in proper form. Withdrawal of the objection is requested.

Claims 1-41 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Gaus et al., U.S. Patent No. 6,343,277 over Johnson et al., U.S. Patent No. 6,047,274. Applicants respectfully traverse this rejection.

Independent claims 1, 27, 35, 40 and 41 each recite the calculation or determination of a clearing price for energy services for all consumers during a predetermined time interval. The clearing price is based upon bids for energy services provided by energy services providers (supply side bids) and energy services consumers (demand side bids). This configuration is advantageous for a "pool" model in which producers generate energy services into a common pool and all customers take out of the same pool. In such a pool model, an equal clearing price is calculated or determined for all consumers participating in the pool which, according to claims 1, 35, 40 and 41, is determined by matching demand for market services from consumers with a marginal value of lowest priced bids submitted by market services providers.

The Gaus and Johnson references fail to disclose a clearing price for market services that is equal for all market services consumers. Both the Gaus and Johnson references are directed to systems which facilitate bi-lateral trading, that is, bringing a buyer and a seller together where the sellers provide bids for goods or services at a certain price and the buyer selects among the various sellers typically based upon price. (See Johnson, col. 9 - col. 10; Gaus col. 5, line 40 - col. 6, line 34). Thus, the Gaus and Johnson references disclose systems and methods of facilitating exchanges between individual buyers and sellers in bi-lateral trading and fail to disclose determining or calculating an equal clearing price for a market service for all participating consumers, as recited in claims 1, 27, 35, 40 and 41. Thus, Applicants submit that neither Gaus nor Johnson alone or in combination disclose or suggest all the limitations of independent claims 1, 27, 35, 40 and 41, and the claims that depend from them. Reconsideration is respectfully requested.

In addition to the above, Applicants submit that the Gaus and Johnson references fail to disclose the power system and settlement components of claim 27 and the scheduling, deploying and settling steps recited in the method of claim 35. As discussed above, the systems and methods disclosed by Gaus and Johnson are directed to bringing buyers and sellers together to facilitate bi-lateral trading in which the sellers may compete for lowest price bids and buyers may choose among various bids provided by sellers. Neither Gaus or Johnson disclose a system for managing and coordinating the operation of a competitive energy market place that includes a power system component that represents a network model of a physical power system and generates operational information that is then used by a settlement component that settles all markets involved in the system as recited in claim 27. As to claim 35, Gaus and Johnson fail to disclose actually scheduling the operation of units that provide the market services, deploying the operation of the units and then settling the market in part with meter reading information collected from the units. Again, as discussed above, Gaus and Johnson are directed merely to bringing buyers and sellers together and do not address or include a power system component that represent a network model physical power system of claim 27 or the scheduling, deploying and collecting steps of claim 35. Therefore, Applicants submit that claims 25 and 35, and the claims that depend from them, are not disclosed or suggested by the Gaus and Johnson references. Further reconsideration is requested.

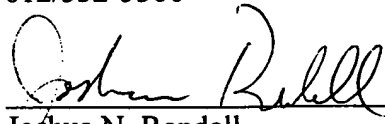
As supported by the arguments presented above concerning independent claims 1, 27 and 35, Applicants submit that dependent claims 2-26, 28-34 and 36-39 are allowable for at least the reason they are dependent upon an allowable base claim. Applicants do not concede the correctness of the rejections directed to the dependent claims. For example, the limitations of at least claims 2, 3, 8, 20 and 23 are not disclosed or suggested by the Gaus and Johnson references. Because the Gaus and Johnson references fail to disclose calculating a clearing price for a market service that is equal for all consumers and calculating settlement information based on that clearing price, these references also fail to disclose creating an invoice for each provider and consumer based on the settlement information (claim 2) and calculating accounts payable and receivable based on the clearing price (claim 8). Also, the Gaus and Johnson references fail to disclose stacking the supply side bids based on price and matching demand with a bid in the stack (claim 3). Further, neither Gaus nor Johnson disclose verification that a price and energy level value exist for each trading interval within a scheduled dispatch period (claim 20) or dispatching a market service only if a predetermined contract condition is met (claim 23). For at least these reasons, exemplary dependent claims 2, 3, 8, 20 and 23 are allowable over the Gaus and Johnson references.

In view of the above, Applicants request reconsideration of the application in the form of a Notice of Allowance. If a phone conference would be helpful in resolving any issues concerning this application, please contact Applicants' representative signed below.

Respectfully submitted,

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**VERSION WITH MARKINGS TO SHOW CHANGES MADE**

**In the Claims**

Claims 6 and 7 have been canceled.

Claims 1-4, 22, 25-27 and 35-41 have been amended as follows:

1. (Amended) A method of facilitating, managing and coordinating the operation of a competitive marketplace using the Internet, the method comprising the steps of:

(a) collecting supply side bids for quantity and price of market services from a plurality of [customers] market services providers over the Internet and collecting demand side bids for quantity of market services from a plurality of market services consumers over the Internet;

(b) calculating a clearing price for a market service for a predetermined time interval by matching demand for market services with a marginal value of lowest priced supply bids, the clearing price being equal for all consumers; and

(c) calculating settlement information based upon the clearing price calculated in step (b) and the bids collected in step (a).

2. (Amended) A method according to claim 1 further comprising step (d) of creating an invoice for each of the plurality of [customers] providers and consumers from the settlement information calculated in step (c) and forwarding the invoice for each [customer] provider and consumer to the [customer's] provider's and consumer's work station over the Internet.

3. (Amended) A method according to claim 1 wherein step (b) comprises stacking the supply side bids collected in step (a) from lowest price to highest and matching demand for the market service with a bid in the stack.

4. (Amended) The method of claim 1 further comprising step (d) of collecting contract information from at least one [customer] provider or consumer.

22. (Amended) A method according to claim 1 further comprising step (d) of notifying a [customer] provider or consumer that the bid information collected in step (a) is accepted.

25. (Amended) The method of claim 1 further comprising a step (d) of providing a database population component that reorganizes data from many different sources into a common repository designed to suit [customers'] providers' or consumers' needs.

26. (Amended) The method of claim 25 further comprising a step (e) of providing a report generation component that creates a report whenever a [customer] provider or consumer so requests wherein the report generation component takes data from the database population component.

27. (Amended) A system for managing and coordinating the operation of a competitive energy marketplace, the system comprising:

a market operator;

a power system component that represents a network model of a physical power system including generating units, load facilities, transmission lines, and network areas;

a customer component that manages all information about entities that have a business relationship with the market operator, wherein the power system component and customer component are operatively coupled to the market operator to receive data from the market operator;

a bid component that enables customers to submit bids for energy services, wherein customers include energy services providers and energy services consumers;

a meter reading component that stores meter readings submitted by [customers] energy services consumers, wherein the bid component and meter reading component are operatively coupled to [customer users] energy services consumers;

a settlement component that determines an equal energy services clearing price for all consumers during a predetermined time interval based on bids from providers and consumers and that financially settles all markets based upon meter readings, operational information, bids and clearing prices, wherein the settlement component is operatively coupled to the power system, [customers] customer, bid and meter reading components to receive data therefrom; and

a bill component operatively coupled to receive data from the customer and settlement components, wherein the bill component summarizes the financial activity for each customer to be used on an invoice for services provided and/or received.

35. (Amended) A method of facilitating, managing and coordinating the operation of a competitive marketplace using the Internet, the method comprising the steps of:

(a) collecting supply side bid information for quantity and price of market services from a plurality of [customers] market services providers and collecting demand side bids for quantity of market services from a plurality of market services consumers;

(b) collecting contract information for market services from at least one of the plurality of [customers] market services providers and consumers;

(c) scheduling the operation of units that provide the market services according to the bid and contract information collected in steps (a) and (b);

(d) deploying the operation of the units scheduled in step (c);

(e) collecting meter reading information from the units scheduled in step (c);

and

(f) settling the market in accordance with the bid and contract information collected in steps (a) and (b) and meter reading information collected in step (e), wherein settling the market comprises calculating a clearing price for market services for a predetermined time interval by matching demand for market services with a marginal value of lowest priced supply bids, the clearing price being equal for all market services consumers.

36. (Amended) The method of claim 35 further comprising step (g) of billing the plurality of [customers] market services consumers according to the settlement determined in step (f).

37. (Amended) The method of claim 35 further comprising step (g) of providing the schedule determined in step (c) to the plurality of [customers] market services providers and consumers.

38. (Amended) The method of claim 35 further comprising step (g) of providing settlement information determined in step (f) to the plurality of [customers] market services providers and consumers.

39. (Amended) The method of claim 35 herein steps (a)[ ], (b) and (e) are performed over the Internet.

40. (Amended) A computer program embodied on a computer readable medium for interfacing with a competitive marketplace, the computer program comprising:

code for collecting supply side bids for quantity and price of market services from a plurality of [customers] market services providers over the Internet and collecting demand side bids for quantity of market services from a plurality of market services consumers over the Internet;

code for calculating a clearing price for a market service for a predetermined time interval by matching demand for market services with a marginal value of lowest priced supply bids, the clearing price being equal for all consumers; and

code for calculating settlement information based upon the clearing price calculated and the bids collected.

41. (Amended) An article of manufacture for facilitating the operation of a competitive marketplace, the article of manufacture comprising a computer readable medium having a management interface instructions comprising:

collecting supply side bids for quantity and price of market services from a plurality of [customers] market services providers over the Internet and collecting demand side bids for quantity of market services from a plurality of market services consumers over the Internet;

calculating a clearing price for a market service for a predetermined time interval by matching demand for market services with a marginal value of lowest priced supply bids, the clearing price being equal for all consumers; and

calculating settlement information based upon the clearing price [calculated in step (b)] and the bids collected.